



General Assembly

February Session, 2016

Raised Bill No. 447

LCO No. 2916



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT ESTABLISHING A TAX CREDIT FOR BUSINESSES THAT HIRE PROMISE ZONE RESIDENTS OR ARE LOCATED IN A PROMISE ZONE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2016, and applicable to taxable years*
2 *commencing on or after January 1, 2016*) (a) There shall be allowed as a
3 credit against the tax imposed on any corporation under chapter 208 of
4 the general statutes an amount equal to two thousand five hundred
5 dollars for each new employee hired prior to the last month of the
6 income year, provided such employee is a resident of a federally
7 designated promise zone. For the purposes of this section, "resident"
8 means a person who is domiciled in such zone for a period of not less
9 than one hundred eighty days preceding the date of hire by such
10 corporation.

11 (b) A credit allowed under subsection (a) of this section that is not
12 used by a corporation may be carried forward to each of the successive
13 income years until such credit is fully taken. In no case shall a credit

14 that is not used be carried forward for a period of more than five years.

15 Sec. 2. (NEW) (*Effective July 1, 2016, and applicable to taxable years*
16 *commencing on or after January 1, 2016*) (a) For the purposes of this
17 section, "qualifying corporation" means a corporation that owns a
18 facility; and "facility" means a facility acquired or developed on or after
19 January 1, 2016, and located in a federally designated promise zone.

20 (b) (1) For any income year commencing on or after January 1, 2016,
21 and prior to January 1, 2017, there shall be allowed as a credit for any
22 qualifying corporation against the tax imposed under chapter 208 of
23 the general statutes in an amount equal to one hundred per cent of that
24 portion of such tax which is allocable to a facility.

25 (2) For any income year commencing on or after January 1, 2017,
26 and prior to January 1, 2018, there shall be allowed as a credit for any
27 qualifying corporation against the tax imposed under chapter 208 of
28 the general statutes in an amount equal to ninety-five per cent of that
29 portion of such tax which is allocable to a facility.

30 (3) For any income year commencing on or after January 1, 2018,
31 and prior to January 1, 2019, there shall be allowed as a credit for any
32 qualifying corporation against the tax imposed under chapter 208 of
33 the general statutes in an amount equal to ninety per cent of that
34 portion of such tax which is allocable to a facility.

35 (4) For any income year commencing on or after January 1, 2019,
36 and prior to January 1, 2020, there shall be allowed as a credit for any
37 qualifying corporation against the tax imposed under chapter 208 of
38 the general statutes in an amount equal to eighty-five per cent of that
39 portion of such tax which is allocable to a facility.

40 (5) For any income year commencing on or after January 1, 2020,
41 and prior to January 1, 2021, there shall be allowed as a credit for any
42 qualifying corporation against the tax imposed under chapter 208 of
43 the general statutes in an amount equal to eighty per cent of that

44 portion of such tax which is allocable to a facility.

45 (6) For any income year commencing on or after January 1, 2021,
46 and prior to January 1, 2022, there shall be allowed as a credit for any
47 qualifying corporation against the tax imposed under chapter 208 of
48 the general statutes in an amount equal to seventy-five per cent of that
49 portion of such tax which is allocable to a facility.

50 (7) For any income year commencing on or after January 1, 2022,
51 and prior to January 1, 2023, there shall be allowed as a credit for any
52 qualifying corporation against the tax imposed under chapter 208 of
53 the general statutes in an amount equal to seventy per cent of that
54 portion of such tax which is allocable to a facility.

55 (8) For any income year commencing on or after January 1, 2023,
56 and prior to January 1, 2024, there shall be allowed as a credit for any
57 qualifying corporation against the tax imposed under chapter 208 of
58 the general statutes in an amount equal to sixty-five per cent of that
59 portion of such tax which is allocable to a facility.

60 (9) For any income year commencing on or after January 1, 2024,
61 and prior to January 1, 2025, there shall be allowed as a credit for any
62 qualifying corporation against the tax imposed under chapter 208 of
63 the general statutes in an amount equal to sixty per cent of that portion
64 of such tax which is allocable to a facility.

65 (10) For any income year commencing on or after January 1, 2025,
66 and prior to January 1, 2026, there shall be allowed as a credit for any
67 qualifying corporation against the tax imposed under chapter 208 of
68 the general statutes in an amount equal to fifty-five per cent of that
69 portion of such tax which is allocable to a facility.

70 (11) For any income year commencing on or after January 1, 2026,
71 there shall be allowed as a credit for any qualifying corporation against
72 the tax imposed under chapter 208 of the general statutes in an amount
73 equal to fifty per cent of that portion of such tax which is allocable to a

74 facility.

75 (c) A credit allowed under subsection (a) of this section that is not
 76 used by a corporation may be carried forward to each of the successive
 77 income years until such credit is fully taken. In no case shall a credit
 78 that is not used be carried forward for a period of more than five years.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016, and applicable to taxable years commencing on or after January 1, 2016</i>	New section
Sec. 2	<i>July 1, 2016, and applicable to taxable years commencing on or after January 1, 2016</i>	New section

Statement of Purpose:

To allow a credit against the corporation income tax for each resident of a federally designated promise zone hired and for any business that acquires or develops a facility in such zone on or after January 1, 2016.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]